

AGENDA ITEM SUMMARY

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Status of Implementation of the American Student Assistance (ASA)
Loan Servicing Contract
Coordinating Board for Higher Education
June 10, 2004

DESCRIPTION

On October 11, 2002, the Missouri Department of Higher Education (MDHE) awarded its loan servicing and operations contract to American Student Assistance (ASA). From October 2002 through April 2004, MDHE and ASA staff worked together to modify ASA's system to reflect the needs of MDHE clients and staff.

In order to assist MDHE in determining those needs, the ASA Customer Team sponsored by Assistant Commissioner Jim Matchefts and facilitated by Director of Communications Susanne Medley was chartered in December 2002. The team's mission was "To identify, understand, and compile customer needs for the ASA Implementation Team so they can provide an efficient system for customers that meet their needs."

On June 18, 2003, the team composed of six MDHE staff presented their ten recommendations to Senior Staff. In addition, the ASA Implementation Team in consultation with the ASA System Customer Team developed measures, targets and outcomes with respect to the ASA System Customer Team's recommendations. This report represents the first phase of the evaluation of the overall success of the implementation project.

ASA System Customer Team Recommendations

Recommendation 1

Provide accurate, up-to-date information about conversion.

Status: Complete. MDHE staff utilized numerous methods to disseminate information about conversion. These methods included: numerous conference presentations, personal office visits, four regional MDHE fall workshops, six regional trainings, conference calls, an advisory committee, mailings, a weekly newsletter, a website, and an e-distribution list.

MDHE staff led by the Communications and Customer Assistance group created and published a weekly newsletter called the MODEL/ATOM II Monitor to deliver valuable information to clients. A new issue of the MODEL/ATOM II Monitor was created and distributed to clients every week from January 6 through April 30, 2004.

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Recommendation 2

Ensure system is easy to use. (i.e. not going through lots of screens to get where you need to be, one sign-in screen, logical flow, history easy to find).

Status: Ongoing. While ASA's system was already a user friendly Microsoft Windows, web-based system, MDHE staff in consultation with our clients have continued to identify opportunities to improve the system. Schools and lenders have only one log-in screen in MODEL Direct.

Recommendation 3

Provide on-time, real-time information.

Status: Complete. One of the primary reasons for selecting the ASA system was its speed. In our previous process most loan guarantees were an overnight process. The ASA MODEL system provides real-time instant guarantee processing. As a result, the MDHE has shortened a guarantee process that used to take as long as 24 hours, to one that takes just seconds. In addition, schools and lenders have access to real-time information through MODEL Direct to the live MDHE database at ASA. Previously, the information available to clients was as of the prior day close of business.

Recommendation 4

Offer training on how to use the new system and provide ongoing training as updates are made.

Status: Complete. MDHE and ASA staff conducted six regional trainings in St. Louis (2), Cape Girardeau, Kansas City, Springfield and Jefferson City. Staff also provided both in-person and telephone trainings for those organizations that could not attend one of the scheduled regional trainings. All of the schools and lenders that requested training were trained prior to conversion. In addition, ASA staff provided training for MDHE's internal staff at various times throughout the conversion period.

Recommendation 5

Ensure technology support is available to help with problems. (i.e. on-line assistance, one contact person for each school)

Status: Ongoing. ASA staff was on-site at MDHE during the first week we were live on the new MODEL system to provide technical assistance. In addition, ASA staff in Boston continues to assist MDHE and our clients with technical problems as they arise. Schools have all been assigned one contact person at ASA and MDHE.

Recommendation 6

Consider and explore ways to inform students about using the new system.

Status: Minimal Activity. Many of the schools asked that we not actively pursue promoting the system to students, at least at this time. After schools have had a chance to become familiar with the system, this is an issue that we will explore in the future.

Recommendation 7

Reconsider conversion date due to customers voicing concern about April 2004, preference was for November.

Status: Complete. Due to contractual requirements, feedback from additional clients and the historically low level of loan activity in April, the decision was made to continue with the April 1 conversion date and an April 15 go live date for the new system. As a result, the MDHE was down just seven business days. During that time over 19 million data segments belonging to over 700,000 borrowers were downloaded onto two sets of tapes (one back-up set) by our previous contractor, transported to Boston, converted to be compatible with our new system and uploaded onto our new system. In addition, prior to going live ASA processed all files received from our clients and manually advanced the system date from April 1 to April 15.

Recommendation 8

Convert history data to new system.

Status: Complete. All 20+ years of history from our previous system was successfully converted to the new system. At the time of conversion this history included nearly 1.9 million loan segments representing over \$6 billion in guaranteed loans. Of those loans, at the time of conversion 699,932 loans for 303,043 borrowers with a guaranteed amount of \$2,770,180,960.82 were outstanding.

Recommendation 9

Communicate that history will be converted in future communications.

Status: Complete. The fact that history would be converted was initially communicated to clients in the MODEL/ATOM II Monitor on 1/6/2004 and at each of the conferences, workshops and trainings conducted.

Recommendation 10

Once determination is made, inform customers of when conversion is scheduled.

Status: Complete. The conversion date and schedule were communicated in the MODEL/ATOM II Monitors, MODEL website, e-mails, letters, conferences, trainings, presentations, telephone calls and personal visits.

STATUTORY REFERENCE

Section 173.095, RSMo, Missouri Student Loan Program

RECOMMENDED ACTION

This is a discussion item only.

ATTACHMENT

None